

FROM

STATE ASSEMBLYMAN

**MIKE BRIGGS**

29<sup>TH</sup> DISTRICT

Fresno/Tulare Counties

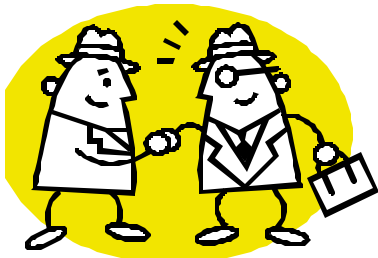


July 26, 2000



## PROTECTING TAXPAYERS' RIGHTS

*Important Information for California Taxpayers*



Professionals such as doctors and attorneys are not allowed to divulge information given to them by their patients or clients. However, taxpayers that come to Certified Public Accountants for tax help are under no such protection. Through AB 1016, Assemblyman Mike Briggs, Assistant Republican Leader of the California State Assembly, is working hard to recognize the right of taxpayers to obtain tax advice in confidence.

### **AB 1016: CPA Confidentiality**

AB 1016 provides increased taxpayer protection. This bill would afford Certified Public Accountants (CPA's) and others the same privilege provided to attorneys when giving tax advice to clients.

### **Privacy for All Taxpayers**

Lawyers and their clients have what is commonly called the "attorney-client privilege." By law, confidential communications between an attorney and a client are protected from disclosure to third parties. For instance, a client who can afford to hire a tax attorney is protected under the attorney-client privilege, but a client who goes to a CPA for tax advice is not under any such protection. This bill corrects this inequality.

### **Recognizing Tax Practitioners**

AB 1016 extends protection to communications between taxpayers and federally authorized tax practitioners. This bill, sponsored by the California Society of CPA's, extends the privilege not just to CPA's, but to enrolled agents and tax preparers as well.

### **Conforming to the Taxpayer Bill of Rights**

Last year, the federal government enacted the Taxpayer Bill of Rights. However, California tax law does not conform to federal law. Matters that are confidential for federal tax purposes are disclosable for state tax purposes. Once disclosed to state tax authorities, the advice would be made available to the IRS and the client's right to confidentiality is lost, thus defeating the purpose of the federal Taxpayer Bill of Rights.

### **The Status**

AB 1016 has passed out of the Assembly and is currently in the Senate Judiciary Committee.

"We want a free flow of information between state recognized tax professionals and taxpayers."

-- Assemblyman  
Mike Briggs

To read the bill text, click  
[here](#)

For more information, call:  
916-319-2029